

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.¹

Debtors.

Chapter 11

Case No. 01-1139 (JKF)

Jointly Administered

Re: Docket Nos. 26154, 26155, 26289

**PRELIMINARY OBJECTION BY HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, PURSUANT TO RULE 9033 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE, TO (I) THE MEMORANDUM OPINION REGARDING OBJECTIONS
TO CONFIRMATION OF FIRST AMENDED JOINT PLAN OF REORGANIZATION
AND RECOMMENDED SUPPLEMENTAL FINDINGS OF FACT AND CONCLUSIONS
OF LAW, (II) THE RECOMMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW
AND ORDER REGARDING CONFIRMATION OF FIRST AMENDED JOINT PLAN
OF REORGANIZATION AS MODIFIED THROUGH DECEMBER 23, 2010, AND
(III) THE ORDER CLARIFYING MEMORANDUM OPINION AND ORDER
CONFIRMING JOINT PLAN AS AMENDED THROUGH DECEMBER 23, 2010**

Her Majesty the Queen in Right of Canada (the "Crown"), by and through her undersigned counsel, hereby asserts her preliminary objection, pursuant to Rule 9033 of the

¹ The Debtors are the following entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals Inc.), W.R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), ECARG, Inc., Five Alewife Boston Ltd., GC Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), GC Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, LB Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc. E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to (I) the Memorandum Opinion Regarding Objections to Confirmation of First Amended Joint Plan of Reorganization and Recommended Supplemental Findings of Fact and Conclusions of Law (Docket No. 26154) (the “Memorandum Opinion”), (II) the Recommended Findings of Fact, Conclusions of Law and Order Regarding Confirmation of First Amended Joint Plan of Reorganization as Modified Through December 23, 2010 (Docket No. 26155) (the “Proposed Order”), and (III) the Order Clarifying Memorandum Opinion and Order Confirming Joint Plan as Amended Through December 23, 2010 (Docket No. 26289) (the “Clarifying Order”), and in support states as follows:

1. On January 12, 2010, the Crown filed the Objections of Her Majesty the Queen in Right of Canada to Confirmation of the First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos PI Future Claimants’ Representative, and the Official Committee of Equity Security Holders Dated February 3, 2009 (Docket No. 24144) (the “Objection”).

2. In the Objection, the Crown maintained that the Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos PI Future Claimants’ Representative, and the Official Committee of Equity Security Holders (as such plan has been or may be amended, supplemented, or modified) (the “Plan”) is not confirmable.

3. On January 31, 2011, the Court docketed the Memorandum Opinion and the Proposed Order, and on February 15, 2011, the Court docketed the Clarifying Order.

4. The Crown objects to the proposed findings of fact and conclusions of law set forth in the Memorandum Opinion, the Proposed Order, and the Clarifying Order, to the extent that such proposed findings of fact and conclusions of law are non-core matters. The Crown reserves the right to further and fully brief such objections in detail, within the time frame and as set forth in the Order entered by the District Court in these proceedings. See Order, In re W.R. Grace & Co., Misc. No. 1:11-mc-0042-RLB (D. Del. Feb. 23, 2011) (“[T]his Court hereby orders that, Rule 9033 objections need not be filed, and all objections that may be or could have been asserted in Rule 9033 objections are preserved and may be argued as part of the appellate briefing filed pursuant to Bankruptcy Rules 8001 *et seq.*”).

WHEREFORE, the Crown objects, on a preliminary basis, to the Memorandum Opinion, the Proposed Order, and the Clarifying Order, pursuant to Bankruptcy Rule 9033.

Dated: February 28, 2011

Respectfully submitted,

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